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Nation's Restaurant News®

THE NEWSWEEKLY OF THE FOODSERVICE INDUSTRY

SECOND CLASS

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Iraq crisis boosts food costs

Higher fuel costs primed to pinch industry margins, consumer spending

by Paul Frumkin and Rick Van Warner

The nation's foodservice industry is facing a jolt in food costs sparked by the flare-up in the Middle East.

As U.S. military forces maintained their tense vigil, foodservice experts were scrambling to assess the potential damage.

Most observers agreed that operators in the restaurant and hospitality industries would soon see price increases in both domestic and imported products as a result of increased oil prices, but they were divided over duration and severity.

Higher fuel prices were not expected to lead to an immediate slowdown in tourism despite the spike in the cost of airline tickets, but the long-term picture was cloudy.

In addition, experts were worrying that consumer budgets, pinched by higher energy costs, would dampen the public's enthusiasm to eat out.

But the most immediate blow to operators is expected to come in the form of higher food bills.

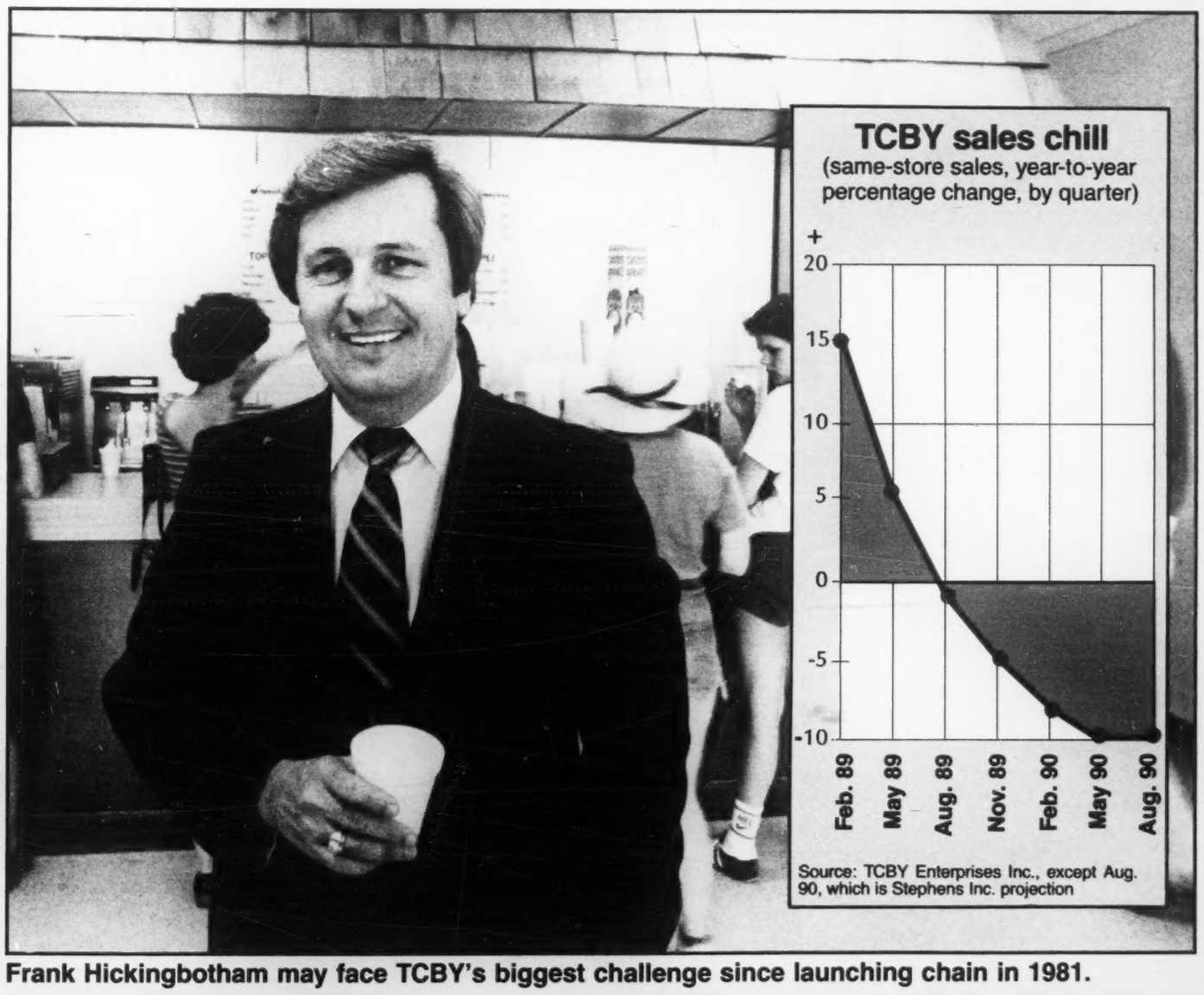
Increased transportation costs throughout the distribution pipeline will leave foodservice distributors with little recou rse but to pass price hikes on to operators, experts said.

Ron Paul, president of the Chicago-based research firm Technomic, said the higher fuel costs could raise the cost of supplies that distributors purchase by 3.5 percent to 4.5 percent.

"The bump caused by oil alone is more than their typical profit margin," Paul declared. "They'll have to pass it along, and the restaurant operator will probably have to pass it along. It's too big to absorb."

And since most distributors do little hedging, "they're hanging out there naked," he added. "They'll feel it quickly, probably within 30 days."

(See IRAQ, page 4)



Frank Hickingbotham may face TCBY's biggest challenge since launching chain in 1981.

Franchise unrest mounts as sales melt at TCBY

by Bill Carlino

LITTLE ROCK, Ark. — Citing four quarters of sales declines, ineffective advertising, high frozen-yogurt mix prices and territorial infringement violations, licensees of the TCBY frozen-yogurt chain are enraged.

They are demanding new marketing strategies, price reductions for the yogurt mix they buy from the company and unit overlap protection for their locations.

For founder and chairman Frank D. Hickingbotham and son and president Herren C. Hickingbotham, the franchisee unrest appears to represent one of the chain's biggest challenges since the first store opened here in 1981 under the since-abandoned This Can't Be Yogurt name.

On Wall Street TCBY's stock price has fallen from $28 a share in early April to about $12 recently.

Outspoken store owners of the 1,800-unit operation, contend TCBY's corporate management has appeared indifferent. "There's a good-ol'-boy

(See TCBY, page 61)

Foodservice fights new civil rights act

Bill strengthens discrimination claims, penalties against employers

by Peter Romeo

WASHINGTON — After a bruising string of defeats, foodservice lobbyists are bracing for a final firefight with Congress over legislation that could lock operators into legal disputes with employees.

Industry leaders assert that restaurateurs' freedom to hire and promote would also be constrained by the civil-rights measure, which the House and Senate have already approved.

"This is a bad one," somberly noted Elaine Graham, a National Restaurant Association lobbyist on Capitol Hill. "It's really going to change the nature of employer-employee relations."

The legislation, the landmark Civil Rights Act of 1990, seeks to aid job discrimination victims by enabling anyone who believes his or her career was hampered by prejudice to sue an employer for a large sum of money. A jury would decide whether or not discrimination had taken place and what sum of money the plaintiff should be awarded.

Currently, only employees alleging racial discrimination are permitted to sue for damage payments. In virtually all other cases, plaintiffs can seek nothing more than back pay, the job or the promotion they were denied because of prejudice, and court fees.

And they can file a suit only after first seeking redress from the Equal Employment Opportunity Commission, a government arbiter. In effect, only appeals of the EEOC's rulings are brought into court.

As a result, less than 7

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NEWS BRIEFS

July wholesale food costs flat

WASHINGTON — For the second month in a row, wholesale food costs rose 5 percent in July on an unadjusted year-to-year basis, but the increase reflects a flattening rate of inflation.

The stabilizing rate of increase in wholesale food costs — or finished consumer foods, as it is called in the Department of Labor's monthly producer price index — was one of the reasons the overall index actually declined in July for the first time in more than a year. The PPI declined one-tenth of 1 percent on an annual basis.

In May, the finished consumer foods component rose 4.8 percent.

Within specific food groups, there were wide variances among wholesale prices in annual unadjusted comparisons. Dairy products were up 10.8 percent and cheese followed suit with a 12.2 percent increase, but poultry prices declined 5 percent.

Dairy Queen in talks to absorb Druther's outlets

MINNEAPOLIS — International Dairy Queen, franchisor of the 5,200-unit Dairy Queen chain, is in talks with Druther's International Inc., the Louisville, Ky., fast-food operator, to convert that 140-unit operation to Dairy Queen stores.

Before an agreement is reached, a Dairy Queen representative said franchisees for both operations would be allowed to study the plan to prevent instances of territorial overlap.

Should the parties agree to terms, about 100 franchised and company-owned Druther's Restaurants could be added to the Dairy Queen chain over the next 30 months.

In instances of infringement, the Druther's Restaurants could possibly be added to the Golden Skillet chain, Dairy Queen's family-style restaurant concept.

Kuleto, McCormick join forces

SAN FRANCISCO — Well-known California restaurant designer Pat Kuleto said he is going into the restaurant business with Portland, Ore., restaurateur and seafood distributor Bill McCormick.

Kuleto said he and McCormick have acquired the old Maxwell's Plum site at Ghirardelli Square here and plan to transform it into a 15,000-square-foot ocean-view seafood restaurant.

The two men have known each other for many years. Kuleto first dabbled in restaurant design as a contractor working for McCormick, who was then with The Refectory steakhouse chain.

Kuleto has won acclaim for his design work on several restaurants, including Postrio, Lascaux and the Fog City Diner in San Francisco. In addition to a seafood company, McCormick and his partner, Doug Schmick, operate several restaurants in the West and Northwest, including Jake's Famous Crawfish in Portland.

Santa Cruz county supervisors eye packaging ban

SANTA CRUZ, Calif. — County supervisors here have tentatively approved a ban on polystyrene foam packaging for food after finding that a voluntary cutback by businesses had reduced usage by less than one third.

The ban — which was approved in concept — will be on the board's agenda again Aug. 28, at which time the provisions for penalities will be discussed. It comes up for a final vote Nov. 13, and, if approved as expected, the ban would become law on Jan. 1.

Drafts of the penalty language indicate that violating the ban will be a misdemeanor punishable by fines of up to $1,000 per day or jail terms of up to six months or both. However, the proposed penalty language also indicates that a business could only be cited for violating the ban if it continues to use polystyrene after the county or a private citizen has gone to court to obtain an injunction.

Horn & Hardart sells 22 Fla. units back to Arby's

NEW YORK — Horn & Hardart is selling 22 franchised Arby's units back to Arby's Inc. as part of the company's ongoing effort to divest itself of its East Coast restaurant holdings.

Arby's will pay H & H $5 million for the units, which are located in Dade, Broward and Palm Beach counties in south Florida. The sale represents H & H's termination of restaurant operations in the Florida area.

The 80-year-old company is undergoing a restructuring program that will enable it to concentrate on a more profitable arm of its business, The Hanover Cos. The 60-year-old mail-order marketing company distributes a range of catalogs in the home decor and clothing fields.

H & H is also in negotiation to sell its remaining restaurant concepts and real estate assets, according to Donald Schupak, chairman and chief executive officer.

Improper billings cut Marriott earnings

WASHINGTON — Marriott Corp. said improper billings to about 1,400 clients under its foodservice and facilities management roster will slash third-quarter earnings by about $8 million.

The company said that a self-initiated audit uncovered "inconsistencies" between charges made to clients in its Food & Services Management Division between 1985 and 1990 and the terms of their respective contracts.

According to a Marriott spokesman, the discrepancies resulted from different billing procedures, which were employed by a number of foodservice companies acquired by Marriott over the five-year period in question, and from overbilling for services not covered by the contracts.

As an example of these extra services, Marriott cited instances of charging clients for worker training, an expense not covered in the contracts.

The unauthorized billings, which totalled about $14 million on a pre-tax basis, will be credited to the respective clients' accounts resulting in the third-quarter charge of $8 million.

The client portfolio affected by the over-billing includes hospital foodservice operations, schools, government agencies and business and industry accounts.

McDonald's seeks to open in Poland

WARSAW — McDonald's has met with government representatives here to discuss the possibility of opening a unit of the U.S. fast-food chain in Poland, according to one official.

Jacek Czerwinski, Poland's director of regional policy here, told Dow Jones Newservice that a restaurant could not be opened for at least another year because of such logistical problems as finding suppliers. McDonald's has already penetrated several Communist Bloc nations, including the U.S.S.R.

In other company news, McDonald's has teamed with Nintendo for a month-long children's promotion that aims to capitalize on the popularity of Nintendo's Super Mario Bros. video game.

Under the nationwide program, children will be invited to hurry down to the nearest McDonald's for a Super Mario Bros. 3 Happy Meal. The packaged deal includes a hamburger or Chicken McNuggets; french fries; and one of four toys based on the newest of the three Super Mario games now on the market.

KFC names home delivery head

LOUISVILLE, Ky. — Dan Smith, former vice president of European operations for Domino's Pizza, has been named vice president of home delivery for Kentucky Fried Chicken.

Smith fills the post vacated by Kyle Craig, who was appointed president of KFC USA in March. Prior to his appointment, Craig had been working with Wayne Calloway, chairman and chief executive of KFC's parent company, Pepsico Inc., running the home delivery test program. KFC is currently testing home delivery in Lousiville, Ky., Columbus, Ohio, and in five Chicago suburbs.

NEWS

Iraq crisis to push up food costs

(Continued from page 1)

Early indications were that prices already were being hiked to offset higher fuel prices.

"Whether meat or whatever the product, to some extent it has already had an impact on pricing," said David Jones, executive vice president of ComSource, the Atlanta-based cooperative representing 138 independent distributors. "Because of freight costs, it's impacting virtually everything we do. There is a lot of concern about it."

Where operators are concerned, clearly the signs for the short term are not encouraging.

"I think distributors are going to have to reflect it right away," said New York economist Malcolm Knapp. "Their margins are too thin to absorb it."

However, Knapp noted, the fact that bumper crops of many foods are near to harvest should help keep overall food costs in line.

"The size of crops should offset the short-term fuel increases," he said. "The crop yield is a bigger factor this year than the cost of oil at this point."

Ray Daniels, food and agriculture senior vice president of the Bala Cynwyd, Pa., economic forecasting firm WEFA Group, agreed.

"The impact on the wholesale cost of food is negligible; it's a small percentage," Daniels said. "The big effect is how much I've got to pay out of my pocket at the pump. The run-up in gasoline prices will make consumers a little more hesistant to eat out.

"And with tighter budgets, there's a tendency to slow down on the number of trips away from home."

Energy costs represent 4 percent to 5 percent of every dollar spent on food at the retail level, said U.S. Department of Agriculture economist Dennis Dunham. "The increased costs of business will get passed along."

At the same time fuel-price increases are bound to have even more of an impact on European and Asian countries almost totally dependent upon imported oil. According to Stephen Zagor, manager of restaurant consulting for Laventhol & Horwath in New York, that aspect of the equation will be apparent in the resulting higher price of imported food products used by fine-dining restaurants — many of which are already struggling with depressed sales. "Anyone who is dependent upon imports and who doesn't have a lot of leverage is at greater risk," Zagor said.

Furthermore, takeout operations could also feel the fuel bite in increased foam and plastic packaging costs, since oil is a major component in the manufacture of those products.

Meanwhile, an almost instantaneous reaction to the oil crisis was a sharp increase in the price of airline tickets by many major domestic airlines. The Washington, D.C.-based Air Transportation Association of America reported that higher jet fuel prices were hurting the airline industry and that most companies, if they had not done so already, would indeed be passing the costs on to their customers in the near future.

> "Whether meat or whatever the product, to some extent it has already had an impact on pricing. Because of freight costs, it's impacting virtually everything we do. There is a lot of concern about it."

To some degree, fare hikes varied from carrier to carrier, but several major airlines, including Pan American, Northwest and American, quickly announced increases of 10 percent.

That move prompted speculation that all travel would be impacted by the oil hikes. "Almost any destination-oriented traveling will be affected in the long run," Zagor predicted.

That thinking was apparent on Wall Street immediately following the outbreak of the Mideastern crisis when the price of Walt Disney's stock dipped dramatically and then rose again — a reflection of investor uncertainty concerning future business at the company's sprawling theme park empires in Florida and California.

Nevertheless, many travel experts remain generally optimistic concerning the impact of the crisis on overall tourism — provided that the situation does not escalate. Jill Collins, a representative of the U.S. Travel & Tourism Administration in Washington, D.C., acknowledged that while increased oil costs undoubtedly would have some effect on inbound tourism from other countries, it would not be in the short term.

"We won't see an immediate impact," Collins explained. "Most people have prepaid their tickets and won't change their travel plans."

In fact, the U.S.T.T.A. is currently projecting a banner year for foreign visitors to this country. "Over 40 million people are expected this year, compared with 38 million last year," Collins added.

In terms of U.S. citizens traveling at home, the prognosis tends to be mainly upbeat. "It will probably affect the industry somewhat," said Shawn Flaherty, a representative for the U.S. Travel Data Center in Washington, D.C. "But business will come back again. The fuel costs are only one factor, and they shouldn't cut people's travel plans."

Some travel executives even see a silver lining in the Mideastern cloud. George Guenther, president of the National Tour Association, observed that vacationers considering travel by automobile may reconsider in light of increased fuel costs and switch to escorted bus tours.

And, he added, "my best guess at this point is that the cost of [bus] touring will not increase for the balance of the year."

Buckhead serves as battle site for luxury hotel wars

(Continued from page 3)

Lenox in Buckhead this summer, is continuing to operate the former Westin's Swann Room — a traditional signature concept that has tried unsuccessfully to establish a culinary reputation in the same neighborhood with the Dining Room since it opened in 1988.

While Marriott admitted it is planning concept changes at the Swann Room, director of restaurants Brian Crawford would not talk about the planned theme or price points. The Swann Room's dinner checks now average $33.

"Everything is tentative," Crawford said. "We have several things in mind, but what the final concept will be we just don't know."

Meanwhile the Buckhead Ritz-Carlton, which operates The Lobby Lounge, The Bar and an all-day concept, The Cafe, as well as The Dining Room, believes its service philosophy, called "ladies and gentlemen serving ladies and gentlemen," will win the luxury war as it levels its guns for the coming hospitality shootout.

"We're not changing the concepts, just the standards of service," said Joseph Violi, the Ritz-Carlton Buckhead's food and beverage director.

Thus, the mission for Nikko and Swissôtel — and now the J.W. Marriott — will be how to position their dining concepts in a glut of already established Buckhead destinations, from Hedgerose Heights and Pano's & Paul's at the high end to Frogs, J. Paul's and newly opened Azalea in the casual niche.

Accepting the mission, Nikko will serve southern French and Mediterranean plates as well as the spicy Cassis and Bandol wines of that coastal region, known for its bouillabaisse.

"Comfort is the operative word," added Nogulich, who will offer "informed" table service. "One of my biggest peeves is hearing a waiter say, 'I'll check,'" he said, noting that service leaves a longer-lasting taste in a guest's mouth than does food.

Defending the economics of a three-meal restaurant, Nogulich nevertheless admitted the operation side would be a challenge. He intends to promote a fast 50-minute business lunch, which he'll use to cultivate dinner patronage.

"It's tough trying to turn between meal periods without stopping," Nogulich added. He explained that it would take staggered shifts and tight organization to accomplish it — particularly on weekends when late breakfast and lunch back up.

"But the days of three kitchens are over," Nogulich said. "We don't have back-of-the-house luxuries any longer. Now we've got efficient systems taking care of both the room service and the restaurant."

The heart of Swissôtel's food operation will be the 92-seat restaurant, "headed by a culinarian, not an administrator," Pitton claimed. The terrace-lounge will have a wine-and-piano-bar feel, where wine will be marked up 100 percent rather than the more standard 200 percent, he added.

Pitton bought a custom-designed contemporary china pattern to go with the white porcelain and blue granite Swissôtel exterior that fronts Peachtree Road — nearly across the street from the Buckhead Ritz-Carlton.

"People are ready for an alternative," insisted Pitton, who claims jeans will be welcome in the cafe. "We'll do elegance from a different approach."

Swissôtel learned a costly lesson in its Chicago property when executives attempted to clone the company's celebrated New York and Boston restaurants. Locals rejected La Prince's high-cost menu and luxury concept, and the company closed it soon afterward, recently converting the room to a more casual American concept called Land of Plenty.

The "single" Atlanta restaurant will be divided, effectively, into three dining areas, which will share a common entrance, allowing Swissôtel patrons to make a concept decision almost as they approach.

"If you check in at 9 p.m. and want a club sandwich, we'll have it for you," Pitton said.

Luxury war in Buckhead

Ritz-Carlton Buckhead
Opened: 1984
Restaurant: The Dining Room
Check Average: $75

J.W. Marriott
Opened: 1988
Restaurant: Swann Room
Check Average: $33

Hotel Nikko
Opened: 1990
Restaurant: Cassis
Check Average: $35

Swissôtel
Opened: 1991
Restaurant: not yet named
Check Average: $30

Joseph Violi, F&B director, with Edward Staros, regional VP and general manager, both of the Ritz-Carlton Buckhead.

CORRECTION

"NRN Top 100," Aug. 6, contained errors on two chains.

NRN erroneously projected $410 million in systemwide sales, 1,020 units and $400,000 in sales per unit at Sonic Drive-In for fiscal 1990 ending in August.

In fact, NRN should have projected $448.5 million in systemwide sales, 1,050 units and $440,000 in sales per unit.

In another instance the sales-per-unit figures for Round Table Pizza were underreported as $311,000 in the fiscal year ending June 1991, $296,000 for fiscal 1990, and $267,000 for 1989.

The figures should have been reported as $555,000 in 1991, $546,000 in 1990 and $508,000 in 1989.

Had the correct figures been used in NRN's calculations, both chains would have scored significantly higher on several rankings.

FINANCIAL NEWS

Wendy's profits surge 60%, yet sales remain stagnant

by Peter O. Keegan

DUBLIN, Ohio — Citing its best quarterly earnings report in four years, Wendy's International Inc. has surprised its naysayers by posting a 60-percent increase in net income on a 2-percent systemwide sales improvement for the second quarter.

The $15.4 million profit for the quarter is a marked improvement over the $9.6 million profit logged during the same period last year and the $3.5 million in net income reported for the first quarter of 1990.

Denny Lynch, Wendy's communications vice president, said a number of things have helped increase the chain's bottom line. He cited management stability at the unit level, increased value perception from the SuperValu menu, reduced couponing, and increased training and retention programs as springboards for the profit surge.

"We have focused on training and management," said Lynch, adding that Wendy's is slashing turnover by allowing flexible hours, giving employees more input through crew councils and allowing more casual uniforms.

"We have also instituted bonus incentives for management, which are tied to operating performance at the unit level," Lynch indicated.

Wendy's high profit levels boosted earnings to 16 cents per share, bringing the year's total earnings per share to 20 cents. "Sixteen cents is ahead of expectations by 2 to 4 cents," said Smith Barney analyst Joe Doyle, who recommends a hold on the stock. "Thirty-five cents looks attainable, and they may even have a shot at 40 cents."

Six weeks ago, when Wendy's stock was surging, many analysts doubted Shearson Lehman Hutton analyst Caroline Levy's projection that Wendy's could obtain her 35-cent-per-share estimate. The stock, which reached a peak of $7.50 in June, recently sold at $5.63.

> "As McDonald's, Burger King, Wendy's and Hardee's battle for customers, some quarters one will win, some quarters another."

"I was estimating 11 cents," admitted Mike Mueller, an analyst with Montgomery Securities in San Francisco. "I was surprised by strength of the margins and costs of sales."

Mueller thinks that the SuperValue menu, which he says is being chosen by 20 percent to 25 percent of Wendy's customers, is also helping profits.

Revenues for the quarter were down 6 percent, to $262.6 million, but Wendy's operated 41 fewer company stores during the quarter. Royalty fees were up 9 percent, to $22 million, for the period.

Restaurant operating margins, which the company said vastly improved profits, were up 14.8 percent from 10.2 percent in the second quarter of last year and 9.8 percent in the first three months of 1990.

Wendy's reports that company store operating costs were reduced in the second quarter by $10 million, to $65 million, and total costs of sales were reduced by $16 million, to $138.1 million. The company claims its increased profitability comes from continued reduction in couponing, which Lynch said is down from about 1 percent from last year's figure, to 1 percent to 2 percent of sales.

"They still have a top-line problem," said Mueller, who continues to believe that Wendy's stock should be sold. "You can only go so far with cost improvements," he said, adding that strong sales and revenue must accompany operational improvements for long-term earnings growth.

Systemwide sales were up 2 percent, to $803 million, for the quarter, and 1 percent, to $1.5 billion, for the year.

Doyle opined that weak sales might be compounded by recession and Wendy's might obtain better sales results when the economy improves.

Average domestic net sales for company-owned units were up 2 percent, to $216,000, for the quarter, while net sales for franchised units were up 3 percent, to $210,000, when compared with the same year-ago period.

"The company has always led the franchising community," Lynch pointed out. "Now they are catching up." He attributed the company's "franchise recycling program" as one reason behind the increase in net sales for franchisees. Under the plan Wendy's buys back ailing franchises, turns them around and sells them to new franchisees.

Mueller noted that Wendy's has done a good job in controlling costs, but doesn't think margin improvements will continue into the next two quarters. "As McDonald's, Burger King, Wendy's and Hardee's battle for customers, some quarters one will win, some quarters another."

Many analysts agree that with the state of competition in the burger segment, chains are shoring up operations to offset flat sales' effect on profits.

FOOD PRICE OUTLOOK

Rising oil prices will hike food costs

by Patt Patterson

There's no doubt that the $9-or-more-a-barrel hike in crude oil prices will push food prices up.

A good deal of the cost of food is transportation, and today most of that transportation is by diesel truck.

And processed foods, both canned and frozen, are dependent upon energy, both electric and gas — much of which oil generates.

With oil companies jacking prices to take advantage of the chance to make some extra profit, even firms with fuel supply contracts are probably not immune to the hikes.

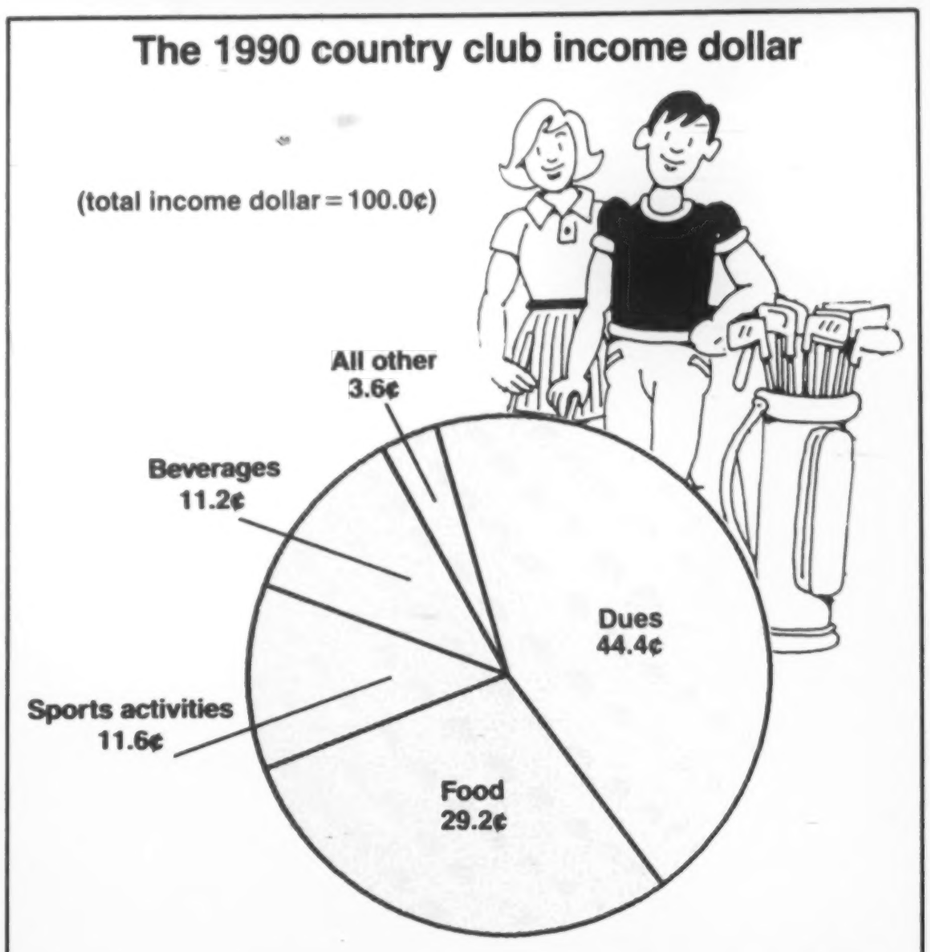
Last time we went through this, the oil companies learned to write contracts with escalator clauses to permit boosts when and if oil prices rise.

It hits all levels of the food chain. Fuel is used to get the food from the fields to the packer. From the packer to the distributor it travels by truck. And from the distributor or chain distribution center it travels to the foodservice operator by truck. All are expected to pass on the increases.

Hogs are coming to the slaughter houses in greater numbers, but pork prices were still running ahead of last year's at this time. As harvesting starts in earnest, slaughtering is expected to taper off, since farmers will be too busy to deliver hogs to market.

Expect **vegetable oil** to increase in price. Heavy demand from fast-food chains changing over to all-vegetable oil shortenings for health reasons will put heavy strains on available supplies. Animal fat prices are expected to fall off even more than they have already.

FACT FILE



FINANCIAL DIGEST

TW uses real estate to reduce debt

SPARTANBURG, S.C. — Seeking to raise cash and pare down debt, TW Holdings Inc. is using its abundant restaurant real-estate holdings as an investment vehicle.

In the most complex move, Morgan Stanley & Co. and a group of other investors have teamed up to invest in a $160 million real- estate note to refinance the mortgages of 240 Denny's restaurants that TW Services operates.

The note will pay interest at 11.03 percent with a term of 10 years.

When the financing is complete, the net proceeds will yield about $120 million after repayment of existing mortgages and related expenses.

In an unrelated step, TW Holdings has signed a letter of agreement with Financial Security Assurance, providing for a guarantee of $255 million in financing secured by 398 company-owned-and-operated Hardee's and Quincy's units.

At the same time TW Holdings disclosed negotiations with several parties for sale-leaseback transactions involving Denny's outlets and warehouses in the Canteen contract-feeding division.

Proceeds from all of the transactions will be used for the reduction of debt, particularly the retirement of a bridge loan, which is worth approximately $400 million, scheduled to be paid in full by Dec. 1.

TW Holdings bought TW Services for $1.7 billion last June.

Cooker fattens restaurant margins

COLUMBUS, Ohio — Cooker Restaurant Corp., operator of 10 full-service restaurants, said improved operating margins led to a 52-percent year-to-year gain in net income, to $520,000, for the second quarter ended July 1. Revenue rose 11 percent from the year-ago period, to $8.1 million.

Noting that restaurant operating margins widened to 19 percent of sales in the latest quarter from 16 percent a year earlier, chairman G. Arthur Seelbinder said, "We have focused our attention on the improvement of profitability in our existing restaurants and will continue to open restaurants that meet our profitability standards."

The chain's 11th unit is under construction in Columbus and due to open in the company's third quarter.

For the latest six months, Cooker earned $933,000, a 42-percent advance, on $16.3 million, a 19-percent increase.

Ryan's 2nd-Q net jumps 20%

GREER, S.C. — Ryan's Family Steak Houses said expansion, improved operating margins and better food cost controls combined to help it post a 20-percent jump in second-quarter net income, to $6.7 million, on a 15-percent gain in revenue, to $71.5 million.

For the six months and quarter ended July 4, sales rose 18 percent, to $136.4 million, while net earnings increased 23 percent, to $12.7 million.

Fred T. Grant Jr., vice president of finance, said in comparisons with the end of the second quarter of last year that Ryan's has opened 14 new restaurants.

The company operates 126 units and franchises 33 stores.